

**Baton Rouge Crime Stoppers, Inc.**

**Baton Rouge, Louisiana**

**December 31, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/23/09

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## Accountant's Review Report

To the Board of Directors of Baton Rouge Crime Stoppers, Inc.

We have reviewed the accompanying financial statements of Baton Rouge Crime Stoppers, Inc., as of December 31, 2008, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of Baton Rouge Crime Stoppers, Inc. management.

Our review was conducted in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards issued by the Comptroller General of the United States of America. A review consists principally of inquiries of Baton Rouge Crime Stoppers personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated May 11, 2009, on the results of our agreed-upon procedures.

*L. A. Champagne & Co., LLP*

*May 11, 2009*

**BATON ROUGE CRIME STOPPERS, INC.**  
**STATEMENT OF FINANCIAL POSITION**

DECEMBER 31, 2008  
(See Accountant's Review Report)

	<u>2008</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 205,055
Fines receivable	<u>12,887</u>
Total assets	<u>\$ 217,942</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ <u>7,946</u>
Total liabilities	<u>7,946</u>
<b>NET ASSETS</b>	
Unrestricted	100,036
Temporarily restricted	<u>109,960</u>
Total net assets	<u>209,996</u>
Total liabilities and net assets	<u>\$ 217,942</u>

*See accompanying notes*

**BATON ROUGE CRIME STOPPERS, INC.**

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2008

(See Accountant's Review Report)

	2008		
	Unrestricted	Temporary Restricted	Permanently Restricted Total
<b>SUPPORT AND REVENUE</b>			
Donations and grants	\$ 112,236	\$ -	\$ 112,236
Cooperative endeavor programs	14,000	-	14,000
Court fines	-	193,535	193,535
Interest income	731	391	1,122
Other	11,300	-	11,300
Net assets released from restriction	196,652	(196,652)	-
	<u>334,919</u>	<u>(2,726)</u>	<u>332,193</u>

**EXPENSES**

Functional:

Program services	277,120	-	277,120
Management and general	13,680	-	13,680
Fundraising	8,121	-	8,121
	<u>298,921</u>	<u>-</u>	<u>298,921</u>

Change in net assets

	35,998	(2,726)	33,272
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Fund equity - beginning of year

	64,038	112,686	176,724
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Fund equity - end of year

	<u>\$ 100,036</u>	<u>\$ 109,960</u>	<u>\$ 209,996</u>
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See accompanying notes

**BATON ROUGE CRIME STOPPERS, INC.**

**STATEMENT OF CASH FLOWS**

Year Ended December 31, 2008

(See Accountant's Review Report)

	<u>2008</u>
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>	
Change in net assets	\$ 33,272
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in accounts payable	(8,721)
Decrease in accounts receivable	6,463
Total adjustments	<u>(2,258)</u>
Net cash provided by operating activities	<u>31,014</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	 <u>-</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	 <u>-</u>
 <b>NET INCREASE IN CASH</b>	 31,014
Cash - beginning of year	174,041
Cash - end of year	<u>\$ 205,055</u>

*See accompanying notes*

**BATON ROUGE CRIME STOPPERS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2008

(See Accountant's Review Report)

	2008			
	Program Services	Management and General		Fundraising
		General	Fundraising	Total
Executive director	\$ 54,831	\$ 6,854	\$ 6,854	\$ 68,539
Cash rewards	52,150	-	-	52,150
Crime prevention initiatives	129,062	-	-	129,062
Other advertising and public relations	14,684	-	-	14,684
Dues	1,833	-	-	1,833
Telephone and web site	7,910	93	-	8,003
Equipment	500	-	-	500
Travel	4,861	-	-	4,861
Printing and supplies	-	49	-	49
Accounting	-	3,612	-	3,612
Meeting expense	826	1,267	1,267	3,360
Legal fees	8,888	-	-	8,888
Insurance	1,575	-	-	1,575
Service charges	-	264	-	264
Other	-	1,541	-	1,541
Total expenses	<u>\$ 277,120</u>	<u>\$ 13,680</u>	<u>\$ 8,121</u>	<u>\$ 298,921</u>

See accompanying notes

**BATON ROUGE CRIME STOPPERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*December 31, 2008*

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of activities*

Baton Rouge Crime Stoppers, Inc. was incorporated in Louisiana on May 12, 1983. Crime Stoppers is a community-involvement program to help stop crime. Crime Stoppers gathers clues to assist law enforcement agencies in solving major crime, by offering cash rewards and providing a phone number to call with information relating to crimes or criminal activity. Crime Stoppers encourages citizens to provide tips and clues that can be vital in the successful solution of crime.

*Basis of presentation*

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are comprised of resources that are free of donor-imposed or time restrictions and are available at the direction of the governing board. Temporarily restricted net assets are resources that are limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled and removed by actions of the organization pursuant to those stipulations. Permanently restricted net assets are those resources whose use by the organization is limited to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization. Crime Stoppers presently has no permanently restricted funds.

*Contributions and expenses*

Contributions, grants and fine revenue received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets.

Grants and contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When donor restrictions expire, that is, when the stipulated time restriction ends or if the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Expenses, including advertising, are recorded when incurred in accordance with the accrual basis of accounting.



**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Use of estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Donated services*

Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Crime Stoppers. Such services are usually acquired from providers on a fee basis. Many other individuals volunteer their time and perform a variety of tasks that assist Crime Stoppers in the performance of its projects and various committee activities, however, these services are not recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 were not met.

*Cash*

For the purpose of the statement of cash flows, the organization considers all unrestricted cash, short-term savings and time deposits purchased with a maturity of three months or less to be cash.

*Functional expenses*

Certain expenses are charged directly to functional classifications. Other expenses are allocated between program, fundraising, and management and general based upon estimates of staff time spent on each function or other appropriate allocation bases.

*Income tax status*

Baton Rouge Crime Stoppers, Inc., is a not-for-profit organization, which has qualified as such under Section 501 (c)(3) of the Internal Revenue Code and is not subject to federal or state income taxes.

**B: ACT 50 FUND**

The Louisiana legislature approved a bill June 25, 2002 that set a two-dollar fee to be levied by the courts on offenders convicted of criminal and traffic violations and these funds are payable to the certified crime stopper organization of that area. The crime stopper organization must deposit these funds into a separate bank account to be used solely for expenditures directly related to obtaining information on criminal activities.

**C: RELATED PARTY TRANSACTIONS**

The immediate past president and continuing director of the organization is also the owner of the company that provides communication and media services to the organization. The charges for such services amounted to \$87,472, in 2008.

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## Independent Accountant's Report on Applying Agreed upon Procedures

To the Board of Directors of Baton Rouge Crime Stoppers, Inc.

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Baton Rouge Crime Stoppers, Inc. and the Legislative Auditor, State of Louisiana to assist the users in evaluating management's assertions about Baton Rouge Crime Stoppers' compliance with certain laws and regulations included in the Louisiana Attestation Questionnaire during the period from January 1, 2008 through December 31, 2008. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### *Federal, State, and Local Awards*

1. We determined the amount of federal, state and local award expenditures for the year ended December 31, 2008. Total expenditures are scheduled below by grant and grant year.

The following programs were funded through local grants and appropriations. There were no state or federally funded programs.

Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
East Baton Rouge City Police Department One Gun	2008	N/A	\$ 25,000
East Baton Rouge Parish Sheriff One Gun	2008	N/A	\$ 25,000
East Baton Rouge Parish School Board Campus Crime Stoppers	2008	N/A	\$ 11,651
Total Expenditures			\$ 61,651

2. We selected all disbursements from the awards administered during the year and performed the following procedures. We traced each disbursement to applicable supporting documentation and to their recording in the books and records and determined that:
  - a. all payments were made to the designated payee in the proper amount,
  - b. all payments were coded to the correct program and general ledger account, and
  - c. all disbursements were approved by the executive director.
  - d. all disbursements were for allowed activities.
3. Baton Rouge Crime Stoppers, Inc. neither received nor expended any federal funds in 2008. Therefore, procedures related to federal awards are not applicable.
4. Baton Rouge Crime Stoppers, Inc. neither received nor expended any state funds in 2008. Therefore, procedures related to activities allowed or unallowed, eligibility or reporting with respect to state awards are not applicable.
5. With respect to local grants and awards referred to in item 1, there were no eligibility or specific reporting requirements associated with the grants or programs. Compliance with requirements related to activities allowed or unallowed is addressed in item 2.d. above.
6. Programs that were completed during the year did not require any particular close-out reports.
7. There were no specific budgetary reporting requirements for any of the programs listed in item 1.

*Open Meetings*

8. We read the minutes of the meetings of the board of directors of Baton Rouge Crime Stoppers, Inc. held in 2008. There was no indication in such minutes that meeting agendas had been posted as an open meeting as is required for public bodies under the provisions of the open meetings law, LA R.S. 42:4.1 through 42:13.

Management states that because of the "sensitive issues" being discussed, specifically matters related to the award, approval and payment of rewards to confidential informants in criminal matters, meeting agendas are not posted.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report is intended solely for the use of management of Baton Rouge Crime Stoppers, Inc. and the Legislative Auditor (State of Louisiana) and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*J.A. Champagne & Co, LLP*

May 11, 2009